

Post Office Department
Post Office Department
ASSISTANT POSTMASTER GENERAL
BUREAU OF FINANCE
Washington 25, D. C.

August 3, 1956

STAT

To: U. S. Government departments, agencies, establishments, and corporations concerned

Subject: Reporting and reimbursement to Post Office Department for the transmission of official mail matter

I. PURPOSE. These instructions provide minimum reporting requirements and simplified paying procedures for U. S. Government organizations to reimburse the Post Office Department for postage for their official mailings.

II. LAW ON REPORT AND PAYMENT

A. Basic Law. In substance, the law provides that the quantity of official mailing indicia procured shall be accounted for to the Postmaster General and there shall be paid to the Post Office Department, as postal revenue, out of any appropriations or funds available to each department, agency, establishment, or Government corporation concerned, the equivalent amount of postage or fees, as prescribed by the Postmaster General, for matter sent in the mails, without prepayment of postage or without prepayment of registry fees (other fees have always been paid), by or to such department, agency, establishment, or corporation, for which the Post Office Department does not otherwise receive compensation. The distinction as to payment between so-called penalty mail, certain free official mail, and other paid official mail no longer exists, as all official mail must be paid for since the enactment of P.L. 286, August 15, 1953, and P.L. 705, Approved July 14, 1956.

B. Provisions of Law Repealed

1. Annual Inventory Report. The requirement for inventory of official mailing indicia on hand has been repealed by P.L. 451, App. March 29, 1956. (Report on B/A 46 discontinued.)

2. Quarterly Certificate of Compliance. The requirement for a report that there has been no violation of the restrictions in 39 U.S.C. 321n as to what may be sent as official mail has been repealed by P.L. 705, App. July 14, 1956.

C. New Legislation. Public Law 705, Approved July 14, 1956, effective July 1, 1956, provides that in certain additional cases there shall be reimbursement to the Post Office Department by Government agencies for the transmission of official mail matter as follows:

1. Registry Fees. All registered mailings of executive departments and agencies at Washington, D. C., or by the Public Printer, formerly registered without the payment of any registry fee, must be reimbursed to the Post Office Department beginning as of July 1, 1956.

a. Determination of Volume. Registered mailings are of necessity a matter of record and the compilation of volume data on number of pieces should not be a problem for most of the registered mailings of the agencies.

b. Determination of Fee per Piece. The minimum registry fee is 40¢ for value up to \$5, 55¢ for value up to \$25. Fees and surcharges for higher value mailings may be based on agreements with the Post Office Department as to appropriate fees and surcharges involved.

c. Simplified Reimbursement Procedure. Agencies which have concluded reimbursement agreements with the Post Office Department, Bureau of Finance, as to penalty mail, may include payment for registered mailings in the reimbursement procedure. The amount for the fiscal year should be stated separately for these registered mailings and reported to the Post Office Department as soon as practicable but not later than September 15 of the current fiscal year. Other agencies may include the reimbursement for registered mailings with their quarterly payment or prepay registry fees at the time of mailing at the rates prescribed in Section 161.4 of the Postal Manual.

2. Postage and/or Registry Fees. Postage and/or registry fees when applicable for mailings formerly free under the provisions of 7 U.S.C. 325 and 361f and 39 U.S.C. 330 (Dept. of Agriculture), 8 U.S.C. 1456 (Dept. of Justice), 13 U.S.C. 10 (Dept. of Commerce), 17 U.S.C. 15 (Library of Congress), 39 U.S.C. 385 (Treasury Dept.), and 39 U.S.C. 321n (Agencies concerned), now require reimbursement to the POD under P.L. 705.

III. REIMBURSEMENT AGREEMENTS FOR PENALTY MAIL

A. General. Most of the departments and agencies have adopted the simplified reimbursement procedure for official matter mailed as penalty mail, based on agreements with the Post Office Department in accordance with Step 1 of the Postmaster General's letter of September 21, 1955. The proposal attached to that letter set forth a plan for agreement as to the amount of reimbursement for ordinary penalty mail on an annual basis by fiscal year, based on the previous year's payment, adjusted to reflect known program changes. The proposal suggested that alternate methods could be used in determining amount due the POD such as sampling and estimate of mailings, budget estimates revised to reflect current programs, penalty indicia procured, or usage figures developed from management records. The plan provided for the negotiation of adjustments up and down: for postage rate changes immediately; and for volume changes as soon as practicable but within two years.

B. Notification to Post Office Department of Annual Amount Determined. Upon determination of the annual reimbursement for ordinary penalty mailings please notify the Bureau of Finance by letter as soon as practicable, but not later than September 15 of the current fiscal year. The amount of the registry fees at Washington, D. C., and the amount of the other mailings covered in Public Law 705 which were formerly mailed free should be stated separately in the letter so as to place the reimbursement amounts on a comparable basis with the preceding year. *action*

C. Mutually Agreeable Amount and Quarterly Billing. Upon agreement as to the total amount of reimbursement, the Post Office Department will submit a voucher on Form 1080, quarterly, to your agency for payment. Agencies may adjust the annual amount by subsequent negotiation based on changed conditions.

D. Reporting Requirements.

1. Standard Form 12, Annual Procurement Report of Official Mailing Indicia. The quantity of official mailing indicia procured shall be reported within 60 days after the close of the fiscal year on Standard Form 12 as instructed thereon by types and sources of matter procured. Agency headquarters may obtain additional copies from the Post Office Department, Division of Accounting, Washington 25, D. C. as it will not be stocked by the Federal Supply Service, GSA. Such similar forms for use within agencies must be assigned individual agency form numbers. *action*

IV. ONE REIMBURSEMENT PROCEDURE FOR ALL OFFICIAL MAIL

A. General. Some departments and agencies have adopted a single reimbursement procedure for all official mailings, including miscellaneous official matter weighing over 4 pounds, airmail, certified mail, registered mail, special delivery, etc., in accordance with Step 2 of the Postmaster General's letter of September 21, 1955, based on individual agreements which depend on the circumstances involved in the individual departments or agencies. *Possible*

B. Adoption of Plan. Other agencies which desire to adopt this procedure should submit as soon as practicable an estimate of the total amount of postage for other than penalty mail based on the following general considerations: *Possible action*

(1) The annual amount should be based on past experience, adjusted to reflect current programs, or an actual count and computation of postage should be made for a representative period to calculate the annual amount.

(2) Periodic samplings thereafter as necessary, the frequency of which should depend on circumstances. Any voluminous mailings occurring in other than the sampling period must be considered in the annual calculation.

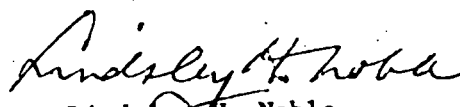
(3) Annual analysis of program changes and other management records available which may reflect changes in volume and type of mailings.

(4) Maintenance of a mail control program so that mail will be sent by the most appropriate and economical means.

C. Agreement with Post Office Department. Upon agreement with the Post Office Department as to the annual amount of reimbursement and agency control procedures, the Post Office Department will authorize the agency to place the indicia, "Postage and fees paid, (Name of Agency)", on all official mail (present penalty indicia may be used for the ordinary mailings).

D. Billing Arrangement. The billing arrangement will be the same as now in effect for penalty mail. Adjustments of the annual amount based on changed conditions may be made in a similar manner as those for penalty mail.

V. PREVIOUS INSTRUCTION RESCINDED. These instructions supersede previous instructions as to payment on official mailings, except that agencies desiring to submit quarterly statements of mailings along with their reimbursement, and agencies desiring to prepay all postage, may continue to do so.



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and Controller